

## POLICIES & PROCEDURES

Effective: April 1, 2009

### SECTION 1 - The Company

The company, DYNAMITE® Marketing, Inc. is an Idaho corporation. Dynamite has a contract for the distribution rights in the United States and Canada for its products ("Products"), and it owns trade names, trademarks, and service marks which it agrees to allow the distributor to use upon the consent of the terms and conditions of this Agreement.

The Distributor acknowledges that DYNAMITE® Supplements are provided as food supplements and are not intended for the treatment or cure of disease. Dynamite guarantees both the quality of the Products and the packaging. Should a customer suffer loss or damage from using DYNAMITE® Products, the responsibility for such loss or damage shall be apportioned between the Company and the Distributor based upon each party's comparative negligence.

### SECTION 2 - INTRODUCTION

#### 2.1 - What's In the Independent Distributor Agreement?

Dynamite Policies and Procedures are considered part of the Dynamite Independent Distributor Agreement. In its entirety, the Independent Distributor Agreement includes:

- a) The Distributor Application and Agreement;
- b) The Policies and Procedures;
- c) The Dynamite Compensation Plan; and
- d) The Dynamite Business Entity Registration Form (if applicable)

When Dynamite refers to the Independent Distributor Agreement, Distributor Agreement or Agreement, it refers to all components as described above. It is your responsibility to read, understand and adhere to the most recent version of the Agreement. Likewise, when you sponsor a new Distributor, it is your responsibility to ensure they have read and understand the Agreement they are signing, particularly these Policies and Procedures and the Dynamite Compensation Plan before they sign.

#### 2.2 - Purpose of Policies and Procedures

The Policies and Procedures are designed to define the relationship that exists between you (as an Independent Dynamite Distributor), other Dynamite Distributors, and Dynamite Marketing, Inc. and to clearly articulate a standard for acceptable business conduct. By signing the Dynamite Agreement, you are required to comply with the Terms and Conditions of the Agreement, with these Policies and Procedures and with all federal, state and local laws governing your Dynamite business and conduct. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from your Sponsor or from Dynamite.

#### 2.3 - Agreement Updates and Amendments

Dynamite reserves the right to update or change the Agreement and/or its pricing, including these Policies and Procedures. However, if we make changes or revisions, you will be notified through your Distributor Back office (online). By accepting future bonuses or commissions, you signal your acceptance of any changes that have been made.

#### 2.4 - Business Delays Beyond Dynamite's Control

Dynamite is not responsible for business delays due to circumstances beyond its reasonable control, such as labor strikes and difficulties, riots, war, fire, natural disasters, death, curtailment of a party's source of supply, or government decrees or orders.

#### 2.5 - Handling Invalid or Unenforceable Policies

If any part of the Agreement is held to be invalid or unenforceable, only that invalid or unenforceable portion may be removed and the remainder of the Agreement shall remain intact and in force.

#### 2.6 - Dynamite's Right to Enforce Compliance

Dynamite never gives up its right to insist on compliance with the Agreement or any Policy. Even if Dynamite chooses not to, or for whatever reason does not enforce compliance, this does not make any portion of the Agreement or Policies and Procedures invalid, and it does not constitute a waiver of Dynamite's right to enforce compliance. A waiver by Dynamite is only valid if delivered in writing by an officer of the Company and would apply only to the instance or occurrence at hand. This written waiver does not limit or impair Dynamite's right to insist on future compliance with the Distributor requesting a waiver, nor does it affect or impact in any way the compliance required of other Distributors.

### SECTION 3 - BECOMING A Distributor

#### 3.1 - Requirements to Become a Distributor

Dynamite offers to its Distributors an opportunity to benefit by associating through the Company and its affiliates with persons who are oriented toward personal and financial growth. This growth is directly dependent upon each person's individual efforts and skills. **THE COMPANY MAKES NO REPRESENTATIONS AS TO HOW MUCH ANY INDIVIDUAL CAN EARN. EARNINGS DEPEND UPON SKILLS AND EFFORT EXPENDED. A DISTRIBUTOR IS A SOLE PROPRIETOR RUNNING AND OPERATING HIS/HER OWN INDEPENDENT BUSINESS, RETAILING OR USING DYNAMITE® PRODUCTS AND ABLE TO SPONSOR OTHER DISTRIBUTORS AND THEREBY EARN VOLUME BONUSES THROUGH THE COMPANY'S MARKETING PLAN AS A RESULT OF SALES OF THE COMPANY'S PRODUCTS.** To become a Dynamite Distributor you must:

- 1 . Be at least 18 years of age.
2. Have a valid Social Security or Tax ID number.
3. Be sponsored by an existing DYNAMITE® Distributor
4. Read this Agreement and all of the attachments and exhibits thoroughly, and understand all of those materials, the marketing plan and the Products. If the Product Representative has any questions, they should be directed to the Sponsor. If not satisfied - **BEFORE SIGNING THIS AGREEMENT-** write to or contact: DYNAMITE® Marketing, Inc. 310 E Watertower Street Meridian, ID 83642.
5. Sign and/or electronically agree to the Distributor application and submit to Dynamite.
6. Pay the application fee.
7. Purchase a minimum initial order of \$150.00 (one hundred fifty dollars) in Product directly from the company. (The order must accompany the Distributor sign-up fee and be forwarded to Dynamite for registration.)

Dynamite reserves the right to reject any new Distributor Application.

#### 3.2 - How Can New Distributors Enroll?

You can enroll online at the personal Dynamite website of your Sponsor or you may submit a completed Distributor Application and Agreement in person at the corporate offices, or by mail or fax to:

Dynamite Marketing, Inc.  
New Distributor Enrollment  
P.O. Box 1335  
Meridian, ID 83680  
Fax#: 208-887-9515

If you don't have a Sponsor, Dynamite will refer you to a top-producing Distributor who has earned the right to receive referrals from the Home Office. (See Section 7.4.1)

### 3.3 - Can a Business Enroll as a Distributor?

Certain types of corporations or businesses can apply to be a Dynamite Distributor by submitting a Business Entity Registration Form and Distributor Application and Agreement to Dynamite. If the business enrolls online, Dynamite must receive the Business Entity Registration Form within 30 days of the online enrollment or the Distributor Agreement will terminate. If you joined Dynamite as an individual, but wish to change your status to a business entity you may do so by following the steps outlined in Section 5.2.1.

### 3.4 - Identification

During the application process, you must provide your Social Security Number or a Federal Employer Identification Number to Dynamite. Once your application is submitted and accepted, Dynamite will assign to you a unique identification number that will be used by you and/or Distributor Support to place orders, and track commissions and bonuses. These unique numbers should not be shared with others.

### 3.5 - Distributor Benefits

When your Distributor Application and Agreement has been accepted by Dynamite, you have the right to:

- a) Sell Dynamite products;
- b) Participate in the Dynamite Compensation Plan;
- c) Recruit and sponsor other Distributors (build your downline) once you reach Manager level;
- d) Receive Dynamite literature and other communications;
- e) Access Dynamite-sponsored support, training, motivational and recognition functions;
- f) Participate in Dynamite-sponsored promotional and incentive contests and programs;
- and
- g) Receive access to an online Distributor Back office that facilitates and records your business interactions with Dynamite.

### 3.6 - Renewal of Your Dynamite Business

When you join Dynamite, the Distributor Agreement is valid for one year from the date it is accepted by Dynamite. Each year thereafter the Agreement is automatically renewed for another one-year term, unless either you or Dynamite provide the other party with 30 days written notice of their intention not to renew the Agreement and/or the annual renewal fee is not paid on time.

## SECTION 4 - DISTRIBUTOR RELATIONSHIP WITH DYNAMITE

### 4.1 - Independent Contractor Status

When you join Dynamite as a Distributor you are an independent contractor. You are not purchasing a franchise or a business opportunity and the Agreement between you and Dynamite does not create an employer/employee relationship, partnership or joint venture. As a result, you are solely responsible for paying all local, state and federal taxes owed from any compensation earned. Unless required by law, Dynamite will not withhold FICA or taxes of any kind from your bonuses and commissions.

As an independent contractor you completely control the means by which you operate your Dynamite business. You will establish your own goals, hours, and methods of sale - subject to compliance with the Agreement and applicable law. You are solely responsible for paying all expenses incurred in developing your business and are not authorized to incur any debt or obligation on behalf of or in the name of Dynamite or other Distributors or to open any checking account on behalf of, for, or in the name of Dynamite.

#### 4.2 - No Territory Restrictions or Franchise Fees

There are no exclusive territories granted to anyone. No franchise fees are required.

#### 4.3 - Income Taxes

Dynamite will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident that falls into one of the following categories:

- a) Had earnings of over \$600 in the previous calendar year; or
- b) Made purchases during the previous calendar year in excess of \$5,000.

You are solely responsible for paying local, state and federal taxes on any income generated as an Independent Distributor. If a Dynamite business is tax exempt, the Federal tax identification number must be provided to Dynamite.

#### 4.4 - Be Timely in Reporting Errors

If you believe errors have been made regarding commissions, bonuses, charges, or the placement of Distributors in your Downline Organization, you must notify Dynamite, in writing, within 60 days of when the purported error or incident occurred.

#### 4.5 - Limitation of Liability

By signing the Distributor Agreement, you agree that you will not hold Dynamite, or anyone directly affiliated with Dynamite (employees, board of Directors, officers etc.) liable for any loss incurred or suffered by you as a result of:

- a) Your breach of the Distributor Agreement (including these Policies and Procedures);
- b) The improper promotion or operation of your Dynamite business and any related activities (e.g., the presentation of Dynamite's products or Compensation Plan, the operation of a motor vehicle, the lease of meeting or training facilities, etc.);
- c) Any incorrect data or information provided by a Distributor to Dynamite; or
- d) Your failure to provide any information or data necessary for Dynamite to operate its business.

#### 4.6 - Requests for Records

Distributor requests for copies of invoices, applications, downline reports or other records will require a fee of \$1.00 per page per copy plus applicable mailing charges.

#### 4.7 - Roll-up of Downline Organization

When a vacancy occurs in a Downline Organization due to the termination of a Dynamite business, everyone shifts up one level; so the first level (or frontline) of the terminated Distributor now becomes the first level (or frontline) of the terminated Distributor's Sponsor.

#### 4.8 - Succession due to Death or Incapacitation

In the event of your death or incapacitation, your Dynamite business may be passed to your heirs. For this to occur, the necessary legal documentation must be submitted to Dynamite. Please work with an attorney to prepare a will (or other testamentary instrument). If you transfer your Dynamite business in this manner, your beneficiary acquires the right to collect all bonuses and commissions from your Downline Organization, provided certain qualifications are met. The successor(s) must:

- a) Execute a new Distributor Agreement;
- b) Comply with terms and provisions of the Agreement; and
- c) Meet all of the qualifications for the deceased Distributor's status.

Bonus and commission checks of a Dynamite business transferred in this manner will be paid in a single check. If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer identification number. Dynamite will issue all bonus and commission checks and one IRS Form 1099 to the business entity.

#### 4.9 - Transfer Upon Death of a Distributor

To affect a testamentary transfer of a Dynamite business, the successor must provide the following to Dynamite:

- (1) an original death certificate;
- (2) a notarized copy of the will or other instrument establishing the successor's right to the Dynamite business; and
- (3) a completed and executed Distributor Agreement.

### SECTION 5 - RESPONSIBILITIES OF DISTRIBUTORS

#### 5.1 - Change of Address or Telephone

To avoid any disruption in your business, please notify Dynamite two weeks prior to your address and/or telephone number changing. You can easily make these changes in your Back office. If you require assistance, please contact Distributor Support. When you are changing your address, please remember that Dynamite allows P.O. box addresses for your mailing address, but not for your shipping address (as UPS does not deliver to P.O. boxes). You also must submit a Change of Address Form with the U.S. Postal Service.

#### 5.2 - Changes to Your Dynamite Business

If information within your Distributor Application, Agreement or your profile changes, it is your responsibility to update the information on your Back office or to notify Dynamite of the changes.

##### 5.2.1 - Changing from an Individual to Business Entity

You may also modify your existing Distributor Agreement (i.e., change Social Security number to Federal I.D. number, or change the form of ownership from an individual proprietorship to a business entity owned by the Distributor) by submitting a written request, a properly executed Distributor Application and Agreement, a completed Business Entity Registration Form, and a \$25 change fee. Changes shall be processed only once per year. All changes must be submitted by November 30 to become effective on January 1 of the following year.

#### 5.3 - Continuing Development Obligations

When you sponsor another Distributor into Dynamite, you must take a proactive role in providing assistance and training, and in ensuring those in your downline (1.) are aware of Dynamite Policies and Procedures; and (2.) understand what is appropriate and inappropriate as they operate their Dynamite business. You must have regular, ongoing contact with Distributors in your frontline to facilitate this process. Examples of such contact and communication may include, but are not limited to: newsletters, written

correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of frontline Distributors to Dynamite meetings, team meetings, and other functions. Further, if you become aware, either through your interactions with them, or through someone else communicating with you, or from Dynamite, that a Distributor in your downline is violating Policies either willfully, or due to ignorance, you will make every effort to educate, inform and bring them back into compliance.

As you progress through various levels of leadership and become more skilled and experienced in sales techniques, product knowledge, and your understanding of Dynamite, you will be called upon to share this knowledge with newer Distributors.

#### 5.4 - Document Training of Your Frontline

Upon request, you must be able to provide documented evidence to Dynamite of your ongoing fulfillment of the responsibilities of a Sponsor as outlined in Section 5.3. Failure to do so may result in disciplinary action.

#### 5.5 - Providing Documentation to Applicants

When you sponsor a new Distributor, you must ensure they have access to, and have reviewed, the latest version of the Policies and Procedures and the Compensation Plan before the new Distributor signs the Distributor Agreement or signs up online. Copies of the Compensation Plan and Policies and Procedures can be acquired from Dynamite or downloaded from the Dynamite website.

#### 5.6 - Reporting Policy Violations

If you witness or observe a Policy violation by another Distributor you are obligated to report the violation to [compliance@DynamiteMarketing.com](mailto:compliance@DynamiteMarketing.com). Please provide sufficient detail (situation, violation, dates, location, persons involved, etc.) for Dynamite to act. Dynamite will make every effort to ensure that your identity, and information you share that may reveal your identity, remains confidential.

#### 5.7 - Adherence to Laws and Ordinances

##### 5.7.1 - Local Ordinances

Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to Dynamite Distributors; however, you must obey those laws that do apply. If a local government official informs you that an ordinance applies to you, please be polite and cooperative, and immediately send a copy of the ordinance to [compliance@DynamiteMarketing.com](mailto:compliance@DynamiteMarketing.com). Dynamite will work with you to understand and resolve the situation.

##### 5.7.2 - Compliance with Federal, State, and Local Laws

Distributors shall comply with all federal, state, and local laws and regulations in the conduct of their businesses.

## SECTION 6 - MARKETING YOUR DYNAMITE BUSINESS

### 6.1 - Adherence to the Dynamite Marketing Plan

As a Dynamite Distributor, you are obligated to market and promote your Dynamite business only as set forth in official Dynamite literature and in a manner consistent with Dynamite policies. You may not offer the Dynamite opportunity through, or in conjunction with, any other system, program or offering.

### 6.2 - General (applying to both online and offline marketing and promotion)

It is your responsibility to safeguard and promote the good reputation of the Dynamite brand; to ensure that your marketing efforts contribute to the public interest; and to avoid discourteous, deceptive, misleading, unethical or immoral conduct or practices.

### 6.2.1 - Independent Dynamite Distributor Logo / Identity

If you use a Dynamite logo in any communication, you must use the Independent Distributor version of the Dynamite Specialty logo. Using any other Dynamite logo requires written approval.

### 6.2.2 - Trademarks and Copyrights

You may not use Dynamite trade names, trademarks, designs, images or symbols without prior written permission, except as outlined in this section. Video or audio recordings of company events, training and/or speeches are also copyrighted, and may not be distributed without written permission. The name Dynamite is a trademark of Dynamite, is of great value to Dynamite, and is supplied to you for your use only in an authorized manner. Use of the Dynamite name on any item not produced or authorized by the Company is prohibited. As a Distributor you may use the Dynamite name in the following manner Distributor's Name Independent Dynamite Distributor/Director

Example:

Alice Smith

Independent Dynamite Distributor

You are not allowed to use the name Dynamite in any form in your team name, a tagline, an external website name, your personal website address or extension, in an e-mail address, as a personal name, or as a nickname. Additionally, only use the phrase Independent Dynamite Distributor/Director in your phone greeting or on your answering machine to clearly separate your Dynamite business from Dynamite Marketing, Inc. For example, you may not secure the domain name [www.buyDynamiteMarketing.com](http://www.buyDynamiteMarketing.com); nor may you create an email address such as [Dynamitesales@hotmail.com](mailto:Dynamitesales@hotmail.com).

There are numerous words, images, phrases, taglines, and/or ideas developed or coined within the Dynamite community, and used by Distributors to promote Dynamite, their Dynamite business, or their Dynamite team. No Distributor can claim the exclusive right to use such words, images, phrases, taglines, or ideas that are in the Dynamite community domain for use by all Dynamite Distributors. Therefore, you are not allowed to claim ownership of any such words, images, phrases, taglines, names or phrases, and agree that you will not seek to register any such words, images, phrases, taglines, names or phrases as a trademark, copyright, or domain name. If you do, you agree to assign any such trademark application or registration, or copyright or domain registration to Dynamite upon demand. In addition, Dynamite may elect to take disciplinary action against you as provided in Section 12.1 below. By entering into the Distributor Agreement and/or renewing your Distributor Agreement, you hereby assign any rights that you may have to or in any such intellectual property to Dynamite and you further agree that Dynamite may, at its discretion, seek to register any such words, images, phrases, taglines, names or phrases as trademarks, copyrights, or domain names, as the case may be.

### 6.2.3 - Advertising Templates and Approval

You may only advertise or promote your Dynamite business using approved tools, templates or images acquired through Dynamite. No approval is necessary to use these approved tools. If you wish to design your own online or offline marketing materials of any kind, your designs must be submitted to the Dynamite advertising department ([adapproval@DynamiteMarketing.com](mailto:adapproval@DynamiteMarketing.com)) for consideration and inclusion in the template/image library. Unless you receive specific written approval from Dynamite to use such tools, the request shall be deemed denied.

#### 6.2.4 - Co-operative Advertising and Promotion with Retail Entities

Dynamite products and/or the Dynamite opportunity may not be offered in an online or offline advertisement or promotion (including in-store product giveaways) with any retail store, business or entity. Co-operative promotions with service entities (i.e. a dentist or doctor's office) are allowed pending prior approval from Dynamite (adapproval@DynamiteMarketing.com)

#### 6.2.5 - Altering Packaging/Labels Prohibited; Adding Personalized Stickers OK

You may only sell Dynamite products in their original packaging and may not repackage, re-label, or alter the labels on Dynamite products you sell. Tampering with labels/packaging could be a violation of federal and state laws, and may result in civil liability in some circumstances. Dynamite does allow you to affix a personalized sticker with your personal/contact information to each product or product container, as long as you do so without removing existing labels.

#### 6.2.6 - Don't Make False or Exaggerated Product Claims

Distributors may not make claims about the therapeutic or curative properties of any products offered by Dynamite, except those contained in official Dynamite literature. Not only would these claims violate Dynamite Policies, they would likely violate federal and state laws.

#### 6.2.7 - International Sales

You are only allowed to sell Dynamite products or offer the Dynamite opportunity within the United States, U.S. Territories, and those countries in which Dynamite is operating, as announced in official Dynamite literature.

#### 6.2.8 - Media and Media Inquiries

If a member of the press or media contacts you about Dynamite or your Dynamite business, you must contact Dynamite at mediarelations@DynamiteMarketing.com before you respond or disclose any information. If Dynamite requests that you not respond to such press or media inquiry, or requests that you refer the press or media contact to Dynamite to respond, you agree that you will comply with such requests. Additionally, you are not allowed to proactively contact the media or distribute any form of press release that includes information about Dynamite, its products or the opportunity without prior written approval from Dynamite.

#### 6.2.9 - Distributor Release

By entering into the Distributor Agreement, you authorize Dynamite to use your name, testimonials, and/or likeness in Dynamite advertising or promotional materials with no remuneration. Additionally, you consent to and authorize the use and reproduction of any and all photographs taken by or supplied to Dynamite, and further consent to the use and reproduction of any quotes, testimonials, stories, conversations on social networking media and/or www.DynamiteOnline.com forum for any print or electronic publicity, marketing or promotional purposes, without remuneration.

### 6.3 - Non-Internet Advertising, Marketing and Promotion

#### 6.3.1 - Print Advertisements, Personal Promotional Materials and Sales Tools

Print advertising, personal promotional materials and sales tools must utilize Dynamite-approved templates/images (see Section 6.2.3) or be acquired from Dynamite or Dynamite Success. If you wish to design your own ad or marketing materials of any kind, your designs must be submitted to the Dynamite advertising department (adapproval@DynamiteMarketing.com) for consideration and inclusion in the

template/image library. Unless you receive specific written approval from Dynamite to use such tools, the request shall be deemed denied. If you wish to distribute Dynamite-approved personal promotional materials (fliers, brochures etc.) at a business, public or government facility (schools, libraries etc.) you must first obtain permission from the business owner.

#### 6.3.2 - Unsolicited Faxes

You are not permitted to use or send unsolicited faxes (to people you do not know) to market Dynamite products or the Dynamite opportunity.

#### 6.3.3 - Telemarketing

You are not permitted to utilize telemarketing or to make 'cold calls' to market Dynamite products or the Dynamite opportunity as there are Federal and State laws against telemarketing.

#### 6.4 - Online Advertising, Marketing and Promotion

It is your obligation to ensure your online marketing activities are truthful, are not deceptive and do not mislead customers or potential Distributors in any way. Websites and web promotion activities and tactics that mislead or are deceptive, regardless of intent, will not be allowed. This may include spam linking (or blog spam), unethical search engine optimization (SEO) tactics, misleading click-through ads (i.e. having the display URL of a PPC campaign appear to resolve to an official Dynamite Corporate Site when it goes elsewhere), unapproved banner ads, and unauthorized press releases. Dynamite will be the sole determinant of truthfulness and whether specific activities are misleading or deceptive.

##### 6.4.1 - Domain Names, email Addresses and Online Aliases

You are not allowed to use or register Dynamite or any of Dynamite's trademarks, product names, or any derivatives, for any Internet domain name, email address, or online aliases. Additionally, you cannot use or register domain names, email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of Dynamite Marketing, Inc. Examples of the improper use of Dynamite are: [Dynamitegal@msn.com](mailto:Dynamitegal@msn.com); [www.Dynamiteisgreat.com](http://www.Dynamiteisgreat.com); [www.myspace.com/Dynamitefan](http://www.myspace.com/Dynamitefan); [www.DynamiteMarketing.com/official](http://www.DynamiteMarketing.com/official), or Dynamite showing up as the sender of an email.

##### 6.4.2 - Dynamite Hotlinks

When directing readers to your registered external site or replicated site it must be evident from a combination of the link, and the surrounding context, to a reasonable reader, that the link will be resolving to the site of an independent Dynamite Distributor. Attempts to mislead web traffic into believing they are going to a Dynamite corporate site, when in fact they land at a Distributor site (replicated or registered external) will not be allowed. The determination as to what is misleading or what constitutes a reasonable reader will be at Dynamite's sole discretion.

##### 6.4.3 - Approved Distributor Websites

The term Replicated Website refers to the external-facing Distributor website offered by Dynamite to you for a \$4.99 monthly fee. The term registered external website refers to your own Dynamite-approved personal website (if you have one), or other Dynamite-approved web presence that is hosted on non-Dynamite servers and has no official affiliation with Dynamite Marketing, Inc. You are not allowed to monetize your

Replicated Website or your registered external website through affiliate programs, adSense or similar programs.

#### 6.4.4 - Internet Advertising / Awareness Generation

##### 6.4.4.1 - Online Classifieds

You may not use online classifieds (including Craigslist) to list, sell or retail specific Dynamite products or product bundles. You may use online classifieds (including Craigslist) for prospecting, recruiting, sponsoring and informing the public about the Dynamite business opportunity, provided Dynamite-approved templates/images are used. These templates will identify you as an Independent Dynamite Distributor. If a link or URL is provided, it must link to your Replicated Website or your registered external website.

##### 6.4.4.2 - eBay / Online Auctions

You may not list or sell Dynamite products on eBay or other online auctions, nor may you enlist or knowingly allow a third party (customer) to sell Dynamite products on eBay.

##### 6.4.4.3 - Online Retailing

You may not list or sell Dynamite products on any online retail store or ecommerce site, nor may you enlist or knowingly allow a third party (customer) to sell Dynamite products on any online retail store or ecommerce site.

##### 6.4.4.4 - Banner Advertising

You may place banner advertisements on a website provided you use Dynamite-approved templates and images. All banner advertisements must link to your Replicated Website or a registered external website. You may not use blind ads or web pages that make product or income claims that are ultimately associated with Dynamite products or the Dynamite opportunity.

##### 6.4.4.5 - Unsolicited Email Spamming / Mass E-mailing

You are not allowed to transmit mass, unsolicited emails to promote Dynamite, its products or the Dynamite opportunity to people who you do not know, or who have not given you permission to contact them. People who are 'opt in' subscribers, who have initiated a request to be included in bulk emailing, newsletter or other standardized communications from you are allowed.

##### 6.4.4.6 - Spam Linking

Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums and is not allowed. This includes blog spamming, blog comment spamming and/or spamdexing. Any comments you make on blogs, forums, guest books etc. must be unique, informative and relevant.

##### 6.4.4.7 - Social Networking Sites (Facebook / MySpace / LinkedIn)

You may use social networking sites (Facebook, MySpace, LinkedIn, blogs, forums and other social shared interest sites) to share information about the Dynamite business opportunity and for prospecting and sponsoring; however, these sites may not be used to sell or offer to sell specific Dynamite products. Profiles you generate in any social community where you mention or discuss Dynamite must clearly identify you as an Independent Dynamite Distributor, and when you participate in those communities you must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is

inappropriate is at Dynamite's sole discretion, and offending Distributors will be subject to disciplinary action and/or termination. Banner ads and images used on these sites must be current and must come from the Dynamite approved library. If a link is provided, it must link to your Replicated Website or a registered external website. You may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments you create or leave must be useful, unique, relevant and specific to the blog's article.

#### 6.4.4.8 - Digital Media Submission (YouTube, iTunes, PhotoBucket etc.)

You may upload, submit or publish any Dynamite-related video, audio or photo content that you develop and create as long as it aligns with Dynamite values, contributes to the Dynamite community greater good and is in compliance with Dynamite Policies and Procedures. These submissions must clearly identify you as an Independent Dynamite Distributor (either in the content itself and/or in the content description tag), must comply with all copyright/legal requirements, and must state that you are solely responsible for this content and not Dynamite Marketing, Inc. You may not upload, submit or publish any content (video, audio, presentations or any computer files) received from Dynamite Marketing, Inc. or captured at official Dynamite events or in buildings owned or operated by Dynamite Marketing, Inc. without prior written permission.

#### 6.4.4.9 - Sponsored Links / Pay-Per-Click (PPC) Ads

Sponsored links or pay-per-click ads (PPC) are acceptable. The destination URL must be to either your Replicated Website or to a registered external website. The display URL must also be to either your Replicated Website or to your registered external site, and must not portray any URL that could lead the user to assume they are being led to a Dynamite Corporate site, or be inappropriate or misleading in anyway.

#### 6.4.5 - Distributor Websites

##### 6.4.5.1 - Dynamite Replicated Websites

When you sign up as a Dynamite Distributor you receive a free three-month Dynamite Replicated Website subscription to facilitate the easiest online buying experience for your customers. This includes your application date month, plus three full months thereafter. Beyond this, your subscription can be continued for a \$4.99 monthly fee. You are solely responsible and liable for the content that you add to your Dynamite Replicated website and must regularly review the content (every 30 days) to ensure it is accurate and relevant. You may not alter the branding of your Replicated Website, and you may not use your Replicated Website to promote, market or sell non-Dynamite products, services or business opportunities. Specifically, you may not alter the look (placement, sizing etc.) or functionality of the following:

##### 6.4.5.2 - External Website Content

You are solely responsible and liable for your own website content, messaging, claims, and information and must ensure your website appropriately represents and enhances the Dynamite brand and adheres to Dynamite guidelines and policies. Additionally, your website must not contain disingenuous popup ads or promotions or malicious code.

Decisions and corrective actions in this area are at Dynamite's sole discretion.

##### 6.4.5.2.2 - Dynamite Independent Consultant Image Mandate

To avoid confusion, the following three elements must be prominently displayed at the top of every page of your registered external website:

1. The Dynamite Independent Consultant Logo

## 2. Your Name and Title

### 3. Dynamite Corporate Website Redirect Button

Although Dynamite brand themes and images are desirable for consistency, anyone landing on your page needs to clearly understand that they are at an Independent Consultant site, and not a Dynamite Corporate page. Your website Identifier must be changed so that is cannot:

- a) Be confused with other portions of the Dynamite corporate website;
- b) Confuse a reasonable person into thinking they have landed on a Dynamite corporate page;
- c) Contain any discourteous, misleading, or off-color word that distracts from Dynamite's image.

Examples of inappropriate naming conventions are: /info; /official; /buy; /search; /supplements; /products; /hometeam; /teamfabulous; /#&@%; /Dynamitegal; /Dynamitetopdog.

#### 6.4.5.3 - External Websites (non-replicated websites)

You are allowed one external website (not including a Team Site you may develop; see Section 6.4.5.3) to personalize your Dynamite business and promote the Dynamite opportunity. If you wish to develop an external website you must do the following:

- a) Subscribe to a Dynamite Replicated Website;
  - b) Register your external website with Dynamite by sending an email to [compliance@dynamitemarketing.com](mailto:compliance@dynamitemarketing.com).
  - c) Adhere to the branding and image usage policies described in this document;
  - d) Agree to modify your website to comply with current or future Dynamite policies;
  - e) Agree to redirect or forward your external website to Dynamite's corporate home page in the event of the voluntary or involuntary cancellation of your Distributor Agreement.
- A blog, or website developed on a blogging platform, that is developed for the primary purpose of marketing or promoting Dynamite products and/or the Dynamite opportunity is considered an External Website and must be registered with Dynamite. Blogs, created by you or others, that are developed primarily for other purposes that mention Dynamite and direct traffic to your web site(s) do not need to be registered.

##### 6.4.5.3.1 - External Website Content

You are solely responsible and liable for your own website content, messaging, claims, and information and must ensure your website appropriately represents and enhances the Dynamite brand and adheres to Dynamite guidelines and policies. Additionally, your website must not contain disingenuous popup ads or promotions or malicious code. Decisions and corrective actions in this area are at Dynamite's sole discretion.

##### 6.4.5.3.2 - Dynamite Independent Distributor Image Mandate

To avoid confusion, the following three elements must be prominently displayed at the top of every page of your registered external website:

1. The Dynamite Independent Distributor Logo
2. Your Name and Title
3. Dynamite Corporate Website Redirect Button

Although Dynamite brand themes and images are desirable for consistency, anyone landing on your page needs to clearly understand that they are at an Independent Distributor site, and not a Dynamite Corporate page.

##### 6.4.5.3.3 - External Sites Must Exclusively Promote Dynamite

Your Dynamite external website must contain content and information that is exclusive to Dynamite. You may not advertise other products or services other than the Dynamite product line and the Dynamite opportunity. For example, you cannot create an Internet supplement store where brands other than Dynamite are offered.

#### 6.4.5.3.4 - No eCommerce or Stock-and-Sell Retailing

Your registered external website must only facilitate the entry into your Dynamite Replicated Website. You may not stock and sell Dynamite products, nor may you facilitate an eCommerce environment that would facilitate this model. All orders must be placed through your official Replicated Website or Distributor Back office.

#### 6.4.5.3.5 - External Website Termination

In the event of the voluntary or involuntary cancellation of your Distributor Agreement, you are required to remove your registered external website from public view within 10 days and redirect (forward) all traffic from that domain to [www.DynamiteMarketing.com](http://www.DynamiteMarketing.com). Your external website may be transferred to another Dynamite Distributor, subject to Dynamite approval, on a case-by-case basis.

### 6.5 - Commercial Outlets and Trade Shows

#### 6.5.1 - Commercial Outlets / Retail Stores

You are not allowed to offer Dynamite products for sale in any permanent retail or service business establishment without prior approval from Dynamite. A promotional display may be exhibited for the generation of leads or the collection of orders. This display shall consist ONLY of Dynamite supplements, as well as promotional materials acquired from Dynamite, or downloaded from the corporate website. The display must be for Dynamite products only.

#### 6.5.2 - Fairs, Expositions and Other Temporary Sales Forums

NOTE: Dynamite realizes that fairs, shows and other temporary sales forums represent a good opportunity to both sell product, and expose a lot of people to the Dynamite opportunity. Please realize that Dynamite has absolutely no control over the business practices and/or the behaviors of event and show organizers and managers, nor does Dynamite have any desire or intent to play a primary role in managing and administering your participation in such events. As a result, we ask that if you wish to participate in fairs, shows and other temporary sales forums, that you clearly understand and adhere to the following policies and procedures. As a Distributor, you are allowed to sell Dynamite products on a cash-and-carry basis at fairs, trade shows, professional expositions and other temporary retailing events such as boutiques, craft shows, and holiday bazaars that are not set up within a retail establishment. These sales forums must have a duration of no more than 24 consecutive calendar days AND your participation in any single event can be no longer than 24 consecutive calendar days every six calendar months. Mall kiosks, base exchanges, or permanent swapmeets are not approved locations, because they take place within an established retail environment. Dynamite requires you to adhere to the following policies relative to participation in Temporary Sales Forums:

1. Only one Dynamite booth is allowed per show or event. It is your responsibility to check with the show manager/promoter to ensure there are no other Dynamite Distributors contracted before you contract for space.
2. Only current Dynamite Distributors are authorized to contract for booth space exhibiting Dynamite products. The contract is between Dynamite Independent

Distributor, Your Name and the event sponsor. Dynamite Marketing, Inc. is not, and may not be made a party to a contract between you and an event organizer.

a. In the Items to be Displayed section of the application/contract with the event, the term Dynamite Products and supplements must be used. Failure to do this may limit your ability to keep non-Dynamite competitors from selling Dynamite knock-offs or from other Dynamite Distributors signing up for the same show/event (double booking).

3. You must also write on the contract, or in a cover letter you attach to the contract, that Dynamite has a one-booth-per-show policy and that, in making the show or event manager aware of Dynamite's policy, you are asking in writing that the show not allow other Dynamite Distributors to display or sell Dynamite products.

4. You may only exhibit Dynamite products and the Dynamite business program at your event booth. No non-Dynamite products or business programs may be displayed, marketed, promoted, advertised, sold or offered alongside Dynamite products in the same booth. You may have one or more additional booths at the same event selling other products, but your Dynamite booth must only sell Dynamite products.

5. The contracting Distributor must be present at the booth a minimum of 20 percent each day the booth is in operation.

#### 6.5.2.1 - Enrolling in an Event

When signing up to do an event, you MUST follow this procedure:

1. Identify an event;
2. Contact the show or event manager;
3. Ask if another Dynamite Distributor is already contracted to do the event
4. Make sure you keep copies of the signed contract/agreement and proof of payment as these will be your only defense with Dynamite if a double booking and/or dispute arise, showing:

It is a current year's application;

Your name is clearly listed as the Dynamite Distributor under contract;

The name, location and dates of the event;

The date the contract was signed/entered into;

#### 6.5.2.2 - Double Bookings Dispute Resolution

In the event of a double booking, the Distributor with a valid/signed contract with the earliest date will be allowed to do the event if:

1. The application has been filled out completely and accurately per Dynamite policies; and,
2. The second applicant was aware that there was a Dynamite Distributor already contracted and signed up anyway.

#### 6.5.2.3 - Leaving Your Booth Unattended

You may not leave a booth unattended. Even if there is a general cashier, you must have someone at your booth at all times.

### SECTION 7 - OPERATING YOUR DYNAMITE BUSINESS

#### 7.1 - Product Sales

To be eligible for bonuses, commissions and advancement, you must meet the qualification guidelines.

#### 7.2 - Sales Receipts

You are required to provide your retail customers with two copies of an official Dynamite sales receipt at the time of the sale and you must retain these sales receipts, and make them available to Dynamite upon request, for a period of two years.

#### 7.2.1 - Door-to-Door Selling

A door-to-door sale is where products are sold for a price of \$25 or more, where the purchase is made at a place other than your place of business (i.e. the buyer's home; facilities rented on a short-term basis; sales at a buyer's workplace). Because of historic abuse of consumer rights, door-to-door sales have specific and additional requirements that you must follow. If a sale qualifies as a door-to-door sale, you must ensure that the following information is contained on each sales receipt:

- a) The date of the transaction;
- b) The date (not earlier than the third business day following the date of the transaction) by which the buyer may give notice of cancellation; and
- c) Name and address of the selling Distributor.

When you make a door-to-door sale, you must ensure that you provide the customer with two copies of the sales receipt and verbally inform the customer of the three-day right of cancellation printed on the receipt.

#### 7.3 - Ordering and Shipping

##### 7.3.1 - How are Orders Placed?

You must place orders through your Distributor Back office. Individual customers may also place orders through your Replicated Website. Customers may not place individual orders directly through your back office.

##### 7.3.1.1 - Individual Customer Orders

Customers may order Dynamite products from you through your Replicated Website if you choose to have one, or these orders may be placed by you through your Distributor Back office. Individual Customer orders may not be placed directly through Dynamite's corporate website.

##### 7.3.2 - Shipping

Shipping is free for orders over 80 points shipped to one Continental U.S. location (excluding ¼, ½ and full ton items and bulk feed items such as singles and 6-packs of PGR, Dog Food, Barrels of Humi-Zyme or alpaca feed). Please see Distributor Manual for full details.

##### 7.3.2.1 - Shipping Times and Backorders

Dynamite will make every effort to ship products within three business days from the date an order is received. If items are not in stock, they will be placed on backorder and shipped when back in stock. These backordered items will be noted in your Back office. If backordered items are not expected to ship within 30 days Dynamite will notify you and/or your customer. You will be charged for and receive points & BV on backordered items unless the product has been discontinued. Additionally, you may cancel backordered items and request a refund; receive a credit to your account; or request replacement merchandise. If a refund is requested, your points and BV will be decreased in that amount the same month the refund is issued and applicable shipping charges will apply if the order falls below 80 points.

##### 7.3.2.2 - What Should You Do When A Dynamite Shipment Arrives?

When you receive a shipment from Dynamite, it is your obligation to conduct an inventory and confirm that the product received matches the product listed on the

shipping invoice and is free of damage. Failure to notify Dynamite of any shipping discrepancy or damage within 3 business days of confirmed delivery of shipment will cancel your right to request a correction.

#### 7.3.3 - Holding or Manipulating the Timing of Orders

You must not hold or manipulate the timing of product purchases. All orders must be submitted to Dynamite within five days from the date your customer places his/her order with you.

#### 7.4 - Sponsoring

If you are a current Distributor of manager level or higher in good standing, you have the right to sponsor and enroll others into Dynamite by helping them successfully complete an Independent Distributor Application and Agreement as outlined in Section 3.

##### 7.4.1 - What Happens When a New Distributor Doesn't Have a Sponsor

If a new Distributor hasn't identified a sponsor, Dynamite will do our best to determine which distributor introduced the new rep to Dynamite and refer them back to that person. In the event that the new rep cannot be connected with another rep we will refer them to top-producing Distributors who have earned the right to receive referrals. The new Distributor may join under a referred Distributor, they may request additional referrals from Dynamite, or they may identify and join under a Sponsor of their own.

Ultimately, each new Distributor has the right to choose her Sponsor, but once enrolled, changes will not be allowed except as provided in Section 7.4.2.

##### 7.4.2 - Can I Change Sponsors?

To protect the integrity of all Downline Organizations, Dynamite prohibits changes in sponsorship unless an enrollment error occurs. If a new Distributor is placed under the wrong Sponsor, she must notify Dynamite in writing within 10 business days of her enrollment date in order to be placed correctly. No changes in sponsorship will be allowed beyond this 10-day window. Additionally, a distributor may change organizations by notifying Dynamite in writing of the termination of their current distributorship and remaining inactive for six (6) months. Once the 6 months has passed, the rep can sign back up by completing a new application with the new sponsor's name, pay application fee, order \$150 worth of product at wholesale and start over as a new Product representative with no downline.

##### 7.4.3 - Responsibilities of a Sponsor

If, in the opinion of Dynamite, you are failing to train, recognize, inform and/or motivate a frontline Distributor, or fail to comply with any applicable Policy, Dynamite may, at its sole discretion, opt to remove the sponsor's downline, reduce the leadership bonus, and/or cancel your Distributor Agreement. For more information on your responsibility as a Sponsor, see Section 5.3.

#### 7.5 - One Dynamite Business per Distributor and per Household

As a Distributor you are allowed to operate, own, have an interest in or receive compensation from only one Dynamite business. Furthermore, individuals from the same family unit (husbands and wives or common-law couples - collectively spouses - and dependent children living in the same household) may not have an interest in more than one Dynamite business. If spouses choose to operate a Dynamite business, they must be jointly sponsored as one Dynamite business. Spouses, regardless of whether one or both actually sign the Application and Agreement, may not own, operate or participate in (either directly or indirectly) any other Dynamite business.

The only exceptions Dynamite will consider to this policy is if two existing Dynamite Distributors marry.

#### 7.5.1 - Actions of Household Members or Affiliated Individuals

If a member of your immediate household engages in activities that violate the Agreement (including these Policies) you will be considered to be in violation of the Agreement, and Dynamite may take disciplinary action against you.

Similarly, in the case of a Dynamite Business entity, if any individual associated with that entity violates the Agreement, these actions will be deemed a violation by the entity and Dynamite may take disciplinary action against the entity.

#### 7.6 - Business Pursuit Insurance

You may wish to secure insurance for your business. Neither your homeowner policy nor your automobile policy covers business-related injuries, or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your property is protected. This can often be accomplished with a Business Pursuit endorsement attached to your present homeowner and automobile policies.

#### 7.7 - Product Liability Coverage

Dynamite maintains insurance to protect the Company and Distributors against product liability claims. Dynamite's insurance policy contains a Vendors Endorsement, which extends coverage to Independent Distributors, as long as they are marketing Dynamite products in accordance with Company Policies and applicable laws and regulations. Dynamite's product liability policy does not extend coverage to claims or actions that arise as a result of a Distributor's misconduct in marketing the products.

### SECTION 8 - PAYMENT

#### 8.1 - Insufficient Funds

It is your responsibility to ensure there are sufficient funds or credit available in your account to cover orders you submit. If funds or credit is not available, the system may not accept your order, or your order will be held and you will be contacted. If your order is held and substitute payment is not received within five days, the order will be cancelled and you will not receive points and BV credit for the order.

#### 8.2 - Returned Checks

In the event your bank returns a check for insufficient funds, Dynamite will contact you to obtain a credit or debit card to cover the payment. A \$10 returned-check fee will be added to the order amount. Dynamite reserves the right to require that future orders are paid by credit card, money order or cashier's check. Any unresolved or outstanding balance owed Dynamite will be withheld from your commission checks.

#### 8.3 - Restrictions on Third Party Use of Credit Cards and Checking Account Access

You are not allowed to permit other Distributors or customers to use your credit or debit card, or permit debits to your checking account(s) to enroll in or make purchases from Dynamite.

#### 8.4 - Sales Taxes

The Dynamite program has been designed to free you from as many administrative and operational tasks as possible. To this end, Dynamite relieves you of the burden of remitting sales taxes, keeping sales tax records and filing sales tax reports.

In states in which Dynamite products are subject to sales tax, Dynamite is required to collect sales tax on all purchases, and remit the taxes charged to the respective states and other sales tax jurisdictions. As a result, all orders that you submit will include the correct

sales tax. Dynamite will collect and remit sales taxes on your behalf, according to applicable tax rates in the state, county and/or municipality the order is SHIPPED TO. The taxability of products and sales tax rates differ by state; and local taxes (county, municipality and other tax districts) further complicate the picture. This could result in a disparity between what Dynamite charges you, and what you in turn charge your customer, depending on the location of the sale and where the order is shipped. If a difference occurs, it is your responsibility to contact Dynamite at [controller@DynamiteMarketing.com](mailto:controller@DynamiteMarketing.com) for an adjustment. Be prepared to provide the date of sale, state, county, city and rate of tax where shipped, total retail sales and the amount of the additional tax or credit due. It is your responsibility to know what products are taxable and at what rate based on where products are sold and/or shipped. If you have questions regarding taxability and rates, contact your state or local department of revenue.

If you sell to a tax-exempt entity, Dynamite requires you to pay the sales tax when submitting the order, and then send a copy of both the order and the sales tax exemption certification (either a certificate, or a copy of the ID card) for reimbursement from Dynamite. Requests for reimbursement need to be made by fax or email (with attached images of required documentation) to 208.955.1657 or [controller@DynamiteMarketing.com](mailto:controller@DynamiteMarketing.com).

## **SECTION 9 -GUARANTEES, RETURNS, AND REPURCHASES**

### **9.1. PRODUCT REPRESENTATIVE Cancellation of Distributorship**

It is the responsibility for Dynamite to refund the purchase price to the Product Representative on any Product returned to Dynamite provided the Product is returned within sixty (60) days of purchase, the Product is in the original sealed case and the Product Representative has submitted to Dynamite a written termination of the Agreement. There is no obligation to repurchase partial cases, tonnage orders or more than sixty (60) points of the Product. Dynamite agrees to repurchase said Product at 100% of the price paid by the Product representative less freight both ways. Payment will be made by Dynamite thirty (30) days after receipt of the Product.

### **B. MANAGER / SUPERVISOR / DIRECTOR/ SPECIAL ACHIEVEMENT LEVELS**

It is the responsibility of Dynamite to refund the purchase price to the Manager/Supervisor/Director on any Product returned to Dynamite provided the Product is returned within thirty (30) days of purchase, the Product is in the original sealed case and the Manager/Supervisor/Director has submitted to Dynamite a written termination of the Agreement. There is no obligation to repurchase partial cases, tonnage orders or more than sixty (60) points of the Product. Dynamite agrees to repurchase said Product at 100% of the price paid by the Manager/Supervisor/Director, less Rebates & Bonuses paid and freight both ways. Payment will be made by Dynamite thirty (30) days after receipt of the Product.

### **9.2 Dynamite's Product Return Policy**

Our guarantee covers the quality of our products. If the quality of any of our products is inferior in any way, we will refund the purchase price of the product to the distributor. It is the responsibility of our reps to return the product to our warehouse. Upon return, we will refund your purchase price or will send out a replacement product for you. Please note, any Points or Bonus Volume will also be reversed for any product(s) returned for a refund. If you have simply overstocked, and there is not a quality issue related to a

product you wish to return, there is a 50 percent restocking fee and you will be responsible to pay any return shipping fees. We suggest if you have inventory that you cannot move quickly, you contact your sponsor or upline Director who might be willing to purchase the product.

Dynamite Marketing has a 100 percent satisfaction guarantee for your customer so you can feel secure in introducing any of our products to them without fear of bearing the costs of a product return. Your customer may return any product one time within 60 days for any reason. Dynamite Marketing does not refund your customer directly. If your customer is dissatisfied in any way with any of the Dynamite products, please have them complete the Product Return Form which can be found in your New Distributor Packet or online. Once this form is completed, please refund your customer's purchase price (not including shipping) or replace the product with any of the Dynamite products. You will be responsible for contacting customer service for a Return Authorization Number. Upon receipt of your return, we will ship your replacement products.

#### 9.3.1 - Customer Exchanges or Replacement

Dynamite would prefer customers work through their Distributors to handle all customer exchanges and/or replacements. Customers who do not have or cannot locate their Distributor should contact Distributor Support for assistance.

#### 9.3.2 - Distributor Exchanges

Product being returned for an exchange must be in resalable condition as defined in Section 14 - Definitions.

1. You must be the Distributor who originally purchased the merchandise from Dynamite to exchange it;
2. You must pack the items in proper shipping carton(s) and packing materials and ship to Dynamite. For an exchange, you (or your customer) is responsible for the shipping cost to return product to Dynamite;
3. For each exchange, you must include: the Distributor ID; the Order Number; the name of the customer who ordered the product; a copy of the original, dated sales receipt; the address to ship the exchanged product to; and information on what you are exchanging the product for (to assist you with this process please use the Refund Form available in your Back office);
4. The risk of loss or damage in transit shall be borne by you, and if a return carton is lost, it is your responsibility to trace the package;
5. If you are returning merchandise to Dynamite that was returned to you by a customer, Dynamite must receive that product(s) within 10 days from when you received the merchandise from your customer and a copy of the original sales receipt must be included;
6. Once Dynamite receives the product(s), the exchange product(s) will be shipped to you.

#### 9.3.3 - Distributor Replacements

The following procedures apply to all replacements by a Distributor, whether the replacement is on behalf of their customer, or for the Distributor:

- a) You must be the Distributor who originally purchased the merchandise from Dynamite to return it;
- b) Contact Distributor Support and provide the following information to assist in entering a Replacement Order: the Distributor ID; the Order Number; the name of the customer

who ordered the product; a description of the product defect; and an address where the replacement should be shipped to.

c) Distributor Support will enter the Replacement Order and ship the replacement product. A prepaid return ship label will be included for the return of the defective product (Dynamite does pay shipping both ways on quality assurance replacements). If a prepaid label is not included, it will not be necessary to return the defective product. On replacements where returning the defective product is required, Dynamite does require that a temporary debit be placed against your Product Credit Account until the defective product is received by Dynamite, at which time this debit will be removed. We apologize for this inconvenience, but too many products were not being returned to Dynamite.

d) Pack the items in proper shipping carton(s) and packing materials. Place the prepaid label on the box and take to your nearest UPS Store.

e) In each return, you must include a copy of the original, dated retail sales receipt;

f) The risk of loss or damage in transit shall be borne by you, and if a return carton is lost, it is your responsibility to trace the package;

g) If you are returning merchandise to Dynamite that was returned to you by a customer, Dynamite must receive that product(s) within 10 days from when you received the merchandise from your customer and a copy of the original sales receipt must be included.

## SECTION 10 - BONUSES AND COMMISSIONS

Commission checks will be created and postmarked no later than the 10th of the month following the commission period.

### 10.1 - Commission Qualifications

You must be a current Distributor and in compliance with the Agreement to qualify for bonuses and commissions. Dynamite pays commissions, in accordance with the Compensation Plan.

### 10.2 - Commission Amount Minimums

The minimum amount for which Dynamite will issue a check or EFT is \$25. If your bonus or commission is less than \$25, Dynamite will accrue your commissions and bonuses until they total \$25, at which time the amount will be direct-deposited into your account. If you choose to have a check issued, your commissions must reach \$27 to allow the \$2 check processing fee to be collected.

### 10.3 - Adjustment to Bonuses and Commissions for Returned Products

As a Distributor, you receive bonuses and commissions based on the actual sales of products to customers sold by your Downline Organization. If a product sold in your Downline Organization is returned to Dynamite for a refund, the bonuses and commissions you earned on that sale will be deducted from your earnings in the month the refund is given (and if necessary, continuing every month thereafter until the commission is recovered). If you terminate your Distributor Agreement with a balance still being owed to Dynamite, that outstanding balance will be deducted from any monies owed to you upon your termination.

### 10.4 - Unclaimed Commissions and Product Credits

You are required to deposit or cash commission and bonus checks within 90 days from the date they are issued, after which un-cashed checks will be void. After 90 days you may request that the check be reissued and the check will be created as part of the next scheduled commission run.

If your Distributor Agreement is cancelled for any reason (voluntary or involuntary) any product credits you have in your account will be forfeited.

#### 10.5 - Online Activity Reports

While Dynamite earnestly strives to ensure all information provided to you by Dynamite in online reports is accurate and reliable, due to variables and factors beyond Dynamite's control, Dynamite, or anyone creating or transmitting the information, does NOT guarantee the information to be wholly accurate. All sales volume information is provided as is without warranties, express or implied, or representations of any kind whatsoever. In particular, but without limitation, there shall be no warranties of merchantability, fitness for a particular use, or noninfringement.

To the fullest extent permissible under applicable law, Dynamite and/or other persons creating or transmitting the information will in no event be liable to any Distributor or anyone else for any direct, indirect, consequential, incidental, special or punitive damages that arise out of the use of or access to sales volume information (including but not limited to lost profits, bonuses, or commissions, loss of opportunity, and damages that may result from inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the information), even if Dynamite or other persons creating or transmitting the information shall have been advised of the possibility of such damages. To the fullest extent permitted by law, Dynamite or other persons creating or transmitting the information shall have no responsibility or liability to you or anyone else under any tort, contract, negligence, strict liability, products liability or other theory with respect to any subject matter of this agreement or terms and conditions related thereto.

### SECTION 11 - RESTRICTIONS ON DISTRIBUTOR ACTIVITIES

#### 11.1 - Bonus Buying

Bonus-buying activities are fraudulent and constitute a material breach of your Distributor Agreement. Bonus buying includes:

- a) The enrollment or attempted enrollment of an individual or entity as a Distributor without their knowledge or consent;
- b) The enrollment or attempted enrollment of non-existent individuals or entities as Distributors (This means you may not enroll a deceased or fictitious person or a fictitious business entity as a Distributor);
- c) The use of a credit card by or on behalf of a Distributor or customer when the Distributor or customer is not the account holder of such credit card (This means a Sponsor may not use her credit card to sign up a new recruit. For your own protection, it is important that anyone you recruit sign up using their own credit card. You must be able to prove that anyone signing up as a recruit under you did so with full knowledge and understanding of the terms of the Distributor Agreement.); or
- d) The purchasing of product by a Distributor for the sole purpose of qualifying for a higher rank. (Dynamite must be vigilant in ensuring that orders are placed on behalf of Dynamite customers, through their Independent Distributors. Failure to comply with this policy jeopardizes Dynamite Marketing, Inc. under federal regulations prohibiting pyramid schemes.)

#### 11.2 - Fraudulent Behavior

Dynamite Distributors are obligated to deal fairly and honestly with your customers. If a Dynamite Distributor's interactions are dishonest or fraudulent in any way, including but

not limited to accepting customer payment but failing to place or deliver orders, they will be immediately suspended. In such situations, Dynamite's top priority is to work promptly with the suspended Distributor's Upline Director, and/or the customer directly, to quickly fulfill customer orders and commitments. Once all customers are made whole, Dynamite will turn its attention to investigating the fraudulent behavior and recovering its losses. If the investigation confirms fraudulent behavior, the suspended Distributor's Agreement with Dynamite will be permanently cancelled and all pending compensation checks will be held and the value of the replaced product(s), as well as applicable shipping and service charges will be deducted. Where appropriate, these individuals will be turned over to legal authorities. If you become aware of fraudulent behavior, please contact Dynamite at [compliance@DynamiteMarketing.com](mailto:compliance@DynamiteMarketing.com).

#### 11.3 - Using Income Claims in Recruiting Efforts

In your recruiting and sponsoring efforts, you may not make specific claims to demonstrate the earning potential of Dynamite selling opportunities, by sharing your own earning information, or sharing the earning information or testimonials of other Distributors. Not only can this activity be counterproductive, there are both federal and state laws that regulate, and even prohibit certain types of income claims and testimonials made by people engaged in direct selling.

When you are discussing the Dynamite opportunity or Compensation Plan with a prospective Distributor, you may not make income projections, income claims, or disclose information about your personal Dynamite income. You may use hypothetical income examples to help her understand how the Compensation Plan operates as long as you 1.) Make clear to the prospective Distributor(s) that the earnings example is purely hypothetical; and 2.) You provide each prospective Distributor a copy of Dynamite's official income disclosure statement. If Dynamite has not published or made available an official income disclosure statement, you may not use hypothetical income examples.

#### 11.4 - Indemnification

You are fully responsible for all verbal and written statements made regarding Dynamite products and/or the Compensation Plan that are not expressly contained in official Dynamite materials. You agree to hold Dynamite, Dynamite directors, officers, employees, and agents harmless from any liability as a result of any unauthorized representations or actions by you. This provision shall survive the termination of the Distributor Agreement.

#### 11.5 - Conflicts of Interest

##### 11.5.1 - Nonsolicitation

Subject to compliance of these policies, you may participate in other direct selling ventures (including party plan, network marketing and multilevel marketing); however, if you elect to participate in another such business, you are prohibited from Unauthorized Recruiting as described below:

a) While you are a Dynamite Distributor, and for a period of six months following the cancellation of your Distributor Agreement, you may not attempt to recruit or enroll Dynamite customers or Distributors for other direct selling business ventures directly or through a third party. This includes presenting or assisting in the presentation of other business opportunities, or implicitly or explicitly encouraging any Dynamite customer or Distributor to join other business ventures;

- b) You may not offer literature, tapes or promotional materials for another direct selling business to Dynamite customers or Distributors, nor may you allow any third person to recruit Dynamite customers or Distributors for another business venture;
- c) You may not sell or promote any competing non-Dynamite products to Dynamite customers or Distributors. This would include any product in the same general category as Dynamite products, including any supplements, educational material, topicals, etc.
- d) You may not offer Dynamite products or promote the Dynamite Compensation Plan in conjunction with any non-Dynamite products, services, business plan, opportunity, or incentive.

#### 11.5.2 - Online Reports and Information

Dynamite will make available to you through your Distributor Back office information and reports (i.e. downline reports, order history reports, contact lists, etc.) needed to run and grow your Dynamite business. All Back office information and reports are confidential and are classified as proprietary information and business trade secrets exclusively belonging to Dynamite. This information is made available to you in the strictest confidence and for the sole purpose of assisting you in working with your Downline Organizations in the development of your team and your business.

When working with this information, you agree that you will not:

- a) Directly or indirectly disclose any information contained in any online Dynamite report to any individual, partnership, association, corporation, or other entity;
- b) Directly or indirectly disclose, to any individual, partnership, association, corporation, or other entity, the password or other access code to your Distributor Back office;
- c) Use the information contained within your Distributor Back office or on a report to compete with Dynamite or for any purpose other than promoting or supporting your Dynamite business; or
- d) Recruit or solicit any Dynamite Distributor listed on any Downline Report for another direct selling venture, or in any manner attempt to influence or entice any Distributor to alter her business relationship with Dynamite.

#### 11.6 - Targeting Other Direct Sellers

Dynamite does not condone consciously targeting the sales force of another direct sales company for recruiting purposes, nor does Dynamite condone the solicitation of sales representatives from another direct sales company in ways that would cause these representatives to violate the terms of their contract with their company. Should you engage in these activities, you risk being sued by these other direct sales companies and if any lawsuit, arbitration or mediation is brought against you, Dynamite will not pay any of your defense costs or legal fees, nor will Dynamite indemnify you for any judgment, award, or settlement.

#### 11.7 - Cross Sponsoring

Cross sponsoring occurs when a Distributor knowingly enrolls (or attempts to enroll) another Distributor or a former Distributor under her when that Distributor is enrolled in a different line of sponsorship, or the former Distributor was enrolled in a different line of sponsorship within the past six months. This behavior is strictly prohibited. The use of any real or fictitious name, identification or ID number in an effort to circumvent this policy is considered fraudulent behavior and will not be tolerated. Additionally, you are not allowed to demean, discredit or defame other Dynamite Distributors in an effort to entice another Distributor to become part of your Downline Organization.

If you discover cases of cross sponsoring you must immediately report this activity to Dynamite at [compliance@DynamiteMarketing.com](mailto:compliance@DynamiteMarketing.com). When cross sponsoring occurs, it is Dynamite's right to take disciplinary action against the offending Distributor, as well as any Distributors who encouraged or participated in cross sponsoring in any way.

Dynamite may also choose to restore or move all or part of the offending Distributor's downline back to her original Downline Organization at its sole discretion. Distributors involved in cross sponsoring waive all claims and causes of action against Dynamite relating to the disposition of the cross-sponsored Distributor's Downline organization.

#### 11.8 - Negative and Disparaging Remarks

While Dynamite welcomes constructive input from its Distributors, negative comments and remarks made by Distributors about Dynamite, its products or Compensation Plan serve no purpose other than to sour the enthusiasm of other Dynamite Distributors. For this reason, you must not disparage Dynamite, other Dynamite Distributors, Dynamite's products, the Compensation Plan, or Dynamite's board of Directors, officers, or employees. If you disparage any of these parties, it is considered a material breach of your Distributor Agreement and you will be subject to disciplinary action. See Section 12.1.

#### 11.9 - Making Claims Regarding Government Approval or Endorsement

Neither federal nor state regulatory agencies nor officials approve or endorse any specific direct selling or network marketing companies or programs. Therefore, you shall not represent or imply that Dynamite or its Compensation Plan have been approved, endorsed or otherwise sanctioned by any government agency or official.

#### 11.10 - Client Information

Your client database is to be used solely for the purpose of running your Dynamite business; it may not be sold, copied and/or distributed to any person, Distributor or company for any reason. Dynamite may use your client database in connection with marketing and sales promotions related to your business, the Dynamite opportunity or other Dynamite promotions.

### SECTION 12 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

#### 12.1 - Disciplinary Sanctions

If you are found in violation of your Distributor Agreement or these Policies and Procedures, or if Dynamite determines that you have engaged in or are engaging in any illegal, fraudulent, deceptive or unethical business conduct, you may be subject, at Dynamite's discretion, to one or more of the following corrective measures:

- a) A written warning or admonition;
- b) A requirement that you take immediate corrective measures;
- c) Imposition of a fine, which may be withheld from bonus and commission checks;
- d) Loss of rights to one or more bonus and commission checks;
- e) Dynamite may withhold from you all or part of your bonuses and commissions while Dynamite is investigating any potential or alleged misconduct. If your Dynamite business is cancelled for disciplinary reasons, you will not be entitled to any commission or bonus withheld during the investigation period;
- f) Suspension of your Distributor Agreement for one or more pay periods;
- g) The removal of a frontline Distributor and their Downline Organization from your Downline Organization;
- h) Involuntary termination of your Distributor Agreement; or

i) Any other measure allowed within any portion of the Agreement, or which Dynamite deems appropriate, to equitably resolve injuries caused wholly or in part by your policy violation or contractual breach. Dynamite may institute legal proceedings for monetary and/or equitable relief at its sole discretion.

#### 12.2 - Grievances and Complaints

If you have a grievance or complaint with another Distributor regarding any practice or conduct in relationship to Dynamite or your Dynamite business, you must first report the problem to your Sponsor, who is obligated to review the matter and make an earnest and meaningful attempt to resolve it with the other party's Upline Sponsor and/or Director. If the matter cannot be resolved, it must be reported, in writing, to Distributor Support, who will review any facts and claims and will work to resolve the situation.

#### 12.3 - Arbitration

Any dispute or claim arising from or relating to the Agreement (including these Policies and Procedures) will be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and any judgment rendered may be entered in any court having the proper jurisdiction. If you wish to bring an action against Dynamite for any act or omission relating to or arising from this Agreement, your action must be brought within one year from the date of the alleged misconduct and by signing this Agreement, you waive all claims that any other statute of limitation applies.

Additionally, you waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in the city of Boise, Idaho, unless the laws of the state in which you reside expressly require the application of its laws, in which case the arbitration shall be held in the capital of that state. Both parties to the arbitration shall be entitled to all discovery rights allowed under the Federal Rules of Civil Procedure; however, no other aspects of the Federal Rules of Civil Procedure shall be applicable to arbitration.

There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions, and strong preference will be given to an attorney knowledgeable in the direct selling industry, selected from the panel that the American Arbitration Association provides. The prevailing party shall be entitled to receive from the losing party all costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of the Agreement. Nothing in these Policies and Procedures shall prevent Dynamite from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect Dynamite's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

#### 12.4 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside in Ada County, in the state of Idaho unless the laws of the state in which you reside expressly require the application of its laws, in which case that state's law shall govern all issues related to jurisdiction and venue. The Federal Arbitration Act shall govern all matters relating to arbitration. The laws of the State of Idaho shall govern all other matters relating to or arising from the Agreement unless the laws of the state in which a Distributor resides expressly require the application of its laws.

## SECTION 13 - INACTIVITY AND CANCELLATION

### 13.1 - Effects of Voluntary or Involuntary Cancellation

As long as you remain current and comply with the terms of the Distributor Agreement and these Policies and Procedures, Dynamite will pay you bonuses and commissions in accordance with the Compensation Plan. Your bonuses and commissions constitute the entire reward for your efforts in generating sales and all activities related to generating sales - including building and nurturing your Downline Organization.

If you fail to renew your Distributor Agreement due to inactivity or failure to pay your annual renewal fee, or if your Distributor Agreement is voluntarily or involuntarily cancelled, you will receive bonuses and commissions only for the last full pay period prior to the cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation). Upon the cancellation of your Distributor Agreement, you shall be deemed to have waived all of your rights, title, claim or interest to the Downline Organization that you operated, and to any leadership bonuses from the sales generated by that organization. Additionally, you will lose the right to represent Dynamite, the right to sell Dynamite products and the right to receive future commissions, bonuses, or other income resulting from Dynamite activities.

### 13.2 - Cancellation Due to Inactivity

In order to be considered Active you must pay your annual renewal fee during your anniversary month. If your annual renewal fee is delinquent for 12 months, your Distributor Agreement will be cancelled for inactivity. The cancellation will become effective on the day following the last day of the twelfth month of delinquency. For instance, you sign up in August of 2009, your renewal is due August, 2010. If you do not pay by 2 years worth of renewals by August 31, 2011, your distributorship will be cancelled September 1, 2011. Dynamite will not provide written confirmation of the cancellation.

During the 12 months of delinquency before you are cancelled, your account will be suspended and you will not be able to purchase products, sell products, receive commissions, receive the corporate newsletter, etc. If you call during this period, we will alert you to the renewal fee due and you may renew while placing your order. Note: Your renewal month does not change, so if you wait to pay your renewal, you will be due again in your anniversary month. For example, if you are due in August, 2010 and wait to pay your renewal in July, 2011, you will be due another \$20 renewal again one month later during your renewal month. Likewise, if you wait until August, 2011 to renew, your renewal fee is due for 2 years, in effect, and \$40 will be due.

### 13.3 - Voluntary Suspension

If you can't meet Dynamite's renewal fee requirement for an extended period of time due to pregnancy, adoption, personal illness, family illness or natural disaster, you can voluntarily suspend your Agreement for up to three calendar months by contacting Distributor Support to begin the suspension. You lose all Distributor benefits and privileges during the suspension and no activity can occur (i.e. no orders; no commissions; etc.), but your downline and title stays intact. Your status will revert to normal at the end of the third calendar month unless you reengage sooner by contacting Distributor Support. You may use this benefit once every 24 months.

If you are impacted by foreign military service assignments, please contact Distributor Support, and your position with Dynamite will be held until your service is complete.

#### 13.4 - Involuntary Cancellation

Your violation of any of the terms of the Agreement, including any amendments that may be made by Dynamite at its sole discretion, may result in any of the sanctions listed in Section 12.1, including the involuntary cancellation of your Distributor Agreement. Cancellation shall be effective on the date on which written notice is mailed, return receipt requested, to your last known address, or when you receive actual notice of cancellation, whichever occurs first. Dynamite expressly reserves the right to cancel all Distributor Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of its products via direct selling.

#### 13.5 - Voluntary Cancellation

You have a right to cancel your Distributor Agreement at any time, regardless of reason. Cancellation must be submitted in writing to Distributor Support. Your notice must include your name, address, Distributor I.D. Number, and signature.

### SECTION 14 - DEFINITIONS

**Agreement** - The contract between Dynamite and each Distributor that includes the Distributor Application and Agreement, the Dynamite Policies and Procedures, the Dynamite Compensation Plan, and the Business Entity Registration Form (where applicable). These documents are collectively referred to as the Agreement.

**Bonus** - The compensation paid to a Distributor for leadership activities and earned incentives, as provided in the Dynamite Compensation Plan.

**Cancel** - The termination of a Distributor's business. Cancellation may be either voluntary, involuntary through non-renewal or inactivity.

**Commission** - The compensation paid to a Distributor for the sales of commissionable Dynamite products represented as a percentage of Bonus Volume (BV), as provided in the Dynamite Compensation Plan.

**Commissionable Products** - All Dynamite products on which commissions and bonuses are paid. Distributor Manual, brochures, catalogs, logo items and other business supplies are not commissionable products.

**Downline Report** - A real-time report generated by Dynamite and accessed through each Distributor's Back office that provides critical data relating to the identities of Distributors, sales information, and enrollment activity of each Distributor's Downline Organization. This report contains confidential and trade secret information that is proprietary to Dynamite.

**Downline** - The Distributors sponsored below a particular Distributor.

**Downline Personal Organization** - See Group.

**End Consumer** - A person who purchases Dynamite products for personal use, rather than for resale to someone else.

**Frontline** - All Distributors in the first level of a Distributor's downline.

**Generation** - The arrangement of all Directors, and their personal organizations, in a downline. Example: Your children's households are 1st Generation to you. Your grandchildren's households are 2nd Generation to you. Generations are arranged by relationship to a Distributor, not chronologically.

**Group** - A Distributor and her personally-sponsored Product Reps, Managers and Supervisors.

Immediate Household - Heads of household, their spouse or significant other, and dependent family members residing in the same house.

Leg - Each frontline Distributor and their respective group represents one leg in your Downline Organization.

Level - The layers of Distributors in a particular Distributor's downline. This term refers to the relationship of a Distributor relative to a particular upline Distributor, determined by the number of individuals between Distributors who are related by sponsorship. For example, if A sponsors B; who sponsors C; who sponsors D; who sponsors E; then E is on A's fourth level.

Pay Rank - The qualification level at which a Distributor's compensation will be determined from month to month.

Resalable - Products and sales aids shall be deemed resalable if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered (including stickers/labeled) or damaged; 3) the product and packaging are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and 4) products must be included in the current version of the Dynamite catalog. Any merchandise that is clearly identified at the time of sale as nonreturnable discontinued, or as a seasonal item, shall not be resalable.

Retail Customer - An individual who purchases Dynamite products through a Distributor.

Roll-Up - The method by which a vacancy in a Downline Organization left by a Distributor whose Distributor Agreement has been cancelled is filled.

Sponsor - A Distributor who enrolls another Distributor into Dynamite, and is listed as the Sponsor on the Distributor Application and Agreement. The act of enrolling others and training them to become Distributors is called sponsoring.

Distributor Manual & New Distributor Kit - A selection of Dynamite training materials, product samples, and business support literature that each new Distributor is required to purchase. The Starter Kit is sold to Distributors at the Company's cost.

Title - The highest Rank achieved by a Distributor.

Upline - This term refers to the Distributor or Distributors above a particular Distributor in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular Distributor to the Company.